

**Saskatchewan
Housing
Corporation**



ANNUAL REPORT

1989

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■ LETTER OF

TRANSMITTAL

Regina, Saskatchewan
April 18, 1990

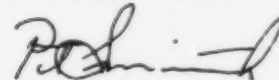
To Her Honour The Honourable
Sylvia O. Fedoruk, O.C., S.O.M.
Lieutenant Governor of
Saskatchewan

Madam:

I have the honour to submit
herewith the annual report of the
Saskatchewan Housing
Corporation for the period
January 1st to December 31st,
1989, including financial
statements for the year duly
certified by Peat Marwick Thorne
and in a form approved by
Treasury Board, all in accordance
with The Saskatchewan Housing
Corporation Act.

I have the honour to be, Madam,

Your Obedient Servant.



Patricia A. Smith

Minister responsible for
Saskatchewan Housing
Corporation

■ MINISTER'S

MESSAGE



The Saskatchewan Housing Corporation has long played a vital role in ensuring that adequate and affordable housing is within the reach of all Saskatchewan residents. This has been and continues to be the Corporation's primary objective.

As Minister responsible, I am proud of the opportunities that the Corporation has been able to provide to the people of Saskatchewan. Especially worthy of mention are the many non-profit, private and public groups which all play a vital role in helping to fulfill the housing requirements of Saskatchewan residents.

In the coming decade, the Corporation must continue to meet the challenge of Saskatchewan's housing needs.

To ensure this, the Corporation and, indeed, the government itself, must work closely with Saskatchewan residents to meet the objectives that are of greatest importance to the province's future.

The people of the province deserve and expect the government to assist with the diversification and development of our economy, the development

of the human potential of Saskatchewan residents, and the protection and stabilization of our communities. Saskatchewan residents also expect these objectives to be met within a financially responsible framework.

By focusing our activities on these objectives in the years to come, the Corporation can continue to assist all Saskatchewan residents in achieving adequate and affordable housing. I am confident that we will meet this challenge.

A handwritten signature in dark ink, appearing to read 'Patricia A. Smith'.

Patricia A. Smith

■ Mission Statement

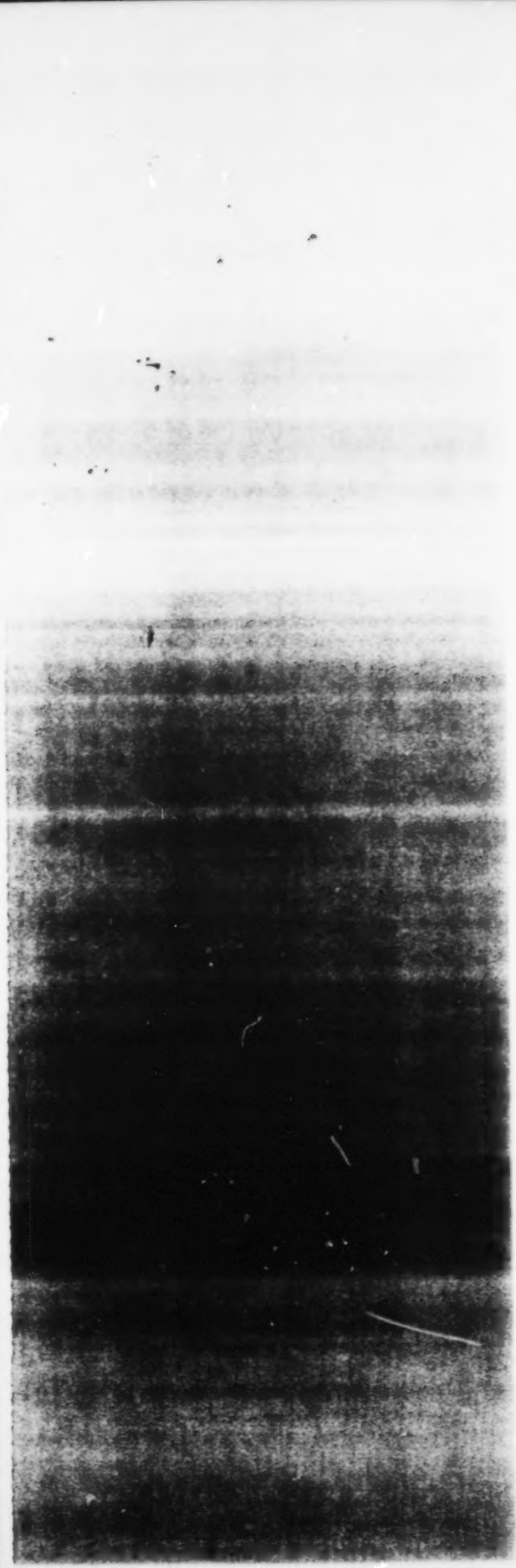
To develop and deliver initiatives and provide the best customer service for Saskatchewan people and communities, improving the affordability, quality and availability of housing.

■ BOARD OF
DIRECTORS



From left to right:

Seated: David Eberle, Alternate Vice Chair; Honourable Patricia A. Smith, Chair; Ken Burton; Irene Leason.
Standing: Donna Lachapelle; Sheryl Anne Kotelko; John Hearn; Janice Poulin; James Maher; Jack Hansen.
Missing: Honourable Colin Maxwell, Vice Chair; Stu Harris.



■ Corporate Creed

At the Saskatchewan Housing Corporation we are committed to being the best we can be, and doing the best we can do. We each have an important and essential part to play in the success of the Corporation.

We:

- Treat our customers the way we would want to be treated.
- Are each ambassadors of the Corporation.
- Are all custodians of the taxpayers money.
- Have the right to fair opportunity and treatment in the workplace.
- Are always looking for new ideas and better ways to do things.
- Believe the best solutions to the needs of our province are those which Saskatchewan people develop.
- Take pride in the way we do our work.

■ PRESIDENT'S

MESSAGE



The year 1989 was a very positive one for the Corporation.

Ongoing housing programs and new initiatives continued to emphasize three key themes:

- involving communities and third parties in decisions affecting them;
- maximizing the "spinoff" benefits to local economies; and,
- providing services beyond just shelter to enhance the independence and quality of life for seniors, low-income families, and special need individuals.

As stewards of taxpayers' monies, staff ensured that fiscal responsibility remained an integral part of all corporate activities and operations.

This stewardship was exemplified by the increased use of existing stock to provide adequate and affordable housing for those in need. Projects included rejuvenations of privately-owned buildings as well as the physical relocation of existing public units. In total, an additional 445 units were committed in 1989 under the Corporation's Federal/Provincial

Non-profit and Rent Supplement Programs.

Seniors, families, and special needs individuals throughout the province are living in public housing units. These residents are provided with suitable, adequate and affordable shelter and, in ever-increasing numbers, service enriched environments are improving their social and physical well-being. The staff and volunteers of the many housing authorities, non-profit groups, and other agencies who help in the delivery of housing and related services to these people are to be commended for their commitment and hard work.

A major corporate activity in 1989 was the Home Improvement Program which completed its third full year of operation and saw over 70,000 grant and loan applications processed.

The Corporation was pleased to take part in the Rural and Native Housing Program evaluation being carried out by its federal partner, Canada Mortgage and Housing Corporation. Through input from, and consultation with, clients and communities, beneficial Program changes can be examined and implemented.

I would like to thank the Board of Directors and the Corporation's staff for their dedicated efforts in meeting the challenges of the past year.

I look forward to working with them to meet the housing challenges of the 1990's.

A handwritten signature in dark ink, appearing to read "Larry Boys". The signature is stylized with a large, sweeping initial "L" and "B".

Larry Boys
Acting President

■ SENIORS' HOUSING



In 1989, some 245 housing units were added to Saskatchewan's impressive stock of seniors' housing.

A major focus is providing more than "shelter." Enriched services are provided which help maintain the independence of senior tenants.

In 1989, the Saskatchewan Housing Corporation continued its commitment to provide "value added" adequate, affordable housing for Saskatchewan seniors.

Recognizing that the need for seniors' housing extends beyond basic shelter, most of these new units were provided in projects



built under the government's Innovative or Enriched Housing Programs.

During the year, some 245 housing units with amenities specifically designed to add to the comfort and security of seniors were added to Saskatchewan's impressive stock of seniors' housing units.

Saskatchewan's Innovative Housing Program, the first of its kind anywhere in Canada, marked the end of its third successful year of operation in 1989. The Innovative Housing Program provides opportunities for non-profit community organizations and private developers to work with government to develop "value added" social housing solutions that will suit their communities' unique requirements.

At many of the projects, on-site facilities for recreation, social functions, and other amenities have been added to enrich the lives of seniors. During the year, the Corporation encouraged formation of tenant associations at each project to give seniors an opportunity to direct and plan their own activities.

In 1989, the Corporation worked with housing authorities and community groups to promote

the value of service enrichments, and to assist groups in developing new enriched service programs for seniors.

To ensure this information would be available to all communities throughout Saskatchewan an Enriched Housing booklet was developed. This booklet describes ways community groups and housing authorities can establish enriched services that will help seniors maintain their independence.

A pilot project started in 1989 will aid housing authorities in the development of service enriched housing. Two Tenant Service Consultants were hired; one for communities in the Swift Current area, and one for communities in the North Battleford area. They have successfully introduced new enriched services to a number of communities and have been responsible for the formation of several new tenant associations.

In 1989 the majority of new housing units proposed for seniors called for the redevelopment or acquisition and renovation of existing structures. Sponsors of seniors' housing projects said their communities

low-income seniors will move into a modernized three-storey building featuring a seniors' centre, an arts hall for community functions, a restaurant and commercial space.

Also in 1989, the concept of flexible building designs for seniors' housing was developed. Building housing units as independent sections will help communities to provide sufficient housing when needed. If after a few years the need for housing increases, additional sections can be added.

Saskatchewan Housing Corporation staff are dedicated to meeting the challenges of the future. At Saskatchewan Housing we see the building of "service enriched housing" for seniors as an expanding market.

It is predicted that in the near future this "service enriched housing" market will grow rapidly because of Saskatchewan's aging population. At present, almost 13 per cent of residents are seniors, and this percentage is steadily increasing.



could provide the needed housing more cost effectively while rejuvenating their communities at the same time.

An example of this is the approval given in 1989 for a new seniors' residence in Moose Jaw in the former Eaton's building on Main Street. When completed, 26

Therefore, continuing to build suitable, adequate housing for our seniors with "value added" amenities will not only fulfill the government's obligation to care for our province's pioneers, it will also add economic growth and stability to our economy.

■ FAMILY HOUSING



In 1969, 150 units were allocated to house low income families and families with special needs.

Many projects had provision for day care centres, easy access to play areas, schools and other services required by families.

Tenant selection and the overall operations are managed by local housing authorities.

During 1989 the Saskatchewan Housing Corporation continued the development of projects for low income families. In the past year 150 units were allocated to house low income families and families with special needs. To ensure this housing is affordable, rents are set at a maximum of 25 per cent of household income. As the rent from tenants will not



cover all the expenses of the units, the shortfall is made up by the federal, provincial and municipal governments.

Tenant selection and the overall operations of family housing are managed by the province's network of local housing authorities. During the year, the Corporation continued its efforts to make housing authorities and community groups more aware of the value of adding enrichments to family housing projects. To help accomplish this a new committee was formed.

The Family Housing Committee is made up of managers from several housing authorities and the manager of Saskatchewan Housing's Enriched Housing Services. It was formed to develop new programs to benefit low income families living in housing projects.

Last summer this new Committee was successful in introducing yard beautification contests at several projects. The contests provided opportunities for families to build pride in their communities and to accept personal responsibility for improving their homes.

Another project undertaken by the Committee in 1989 was the development of family tenant

handbooks. Outlining the major aspects of living in a housing development, these books will be distributed by the housing authorities to all tenants.

The Saskatchewan Housing Corporation recognizes the important role in providing family housing played by the vast housing authority network all across Saskatchewan. To help volunteers and local staff members enhance their service, regional workshops were held in eight centres in the spring of 1989. More than 1,000 housing authority and non-profit housing delegates attended the two-day sessions to learn more about financing, administration, maintenance and service enrichment.

Continuous training for housing authority personnel through contact with Saskatchewan Housing staff has added value in improved services for tenants in our housing projects. This year, most family housing units were delivered under Saskatchewan's Innovative Housing Program where local non-profit groups were encouraged to develop their

Housing Program. Regina and Yorkton each had two family housing projects.

The emphasis of these family projects was the use of existing units. By renovating existing units, or by supplementing the rent in market units, the Corporation is able to deliver family housing while making the most of existing structures.

One of the Regina family housing developments, the Eastview Family Project, consisted of building infill housing for single-parent families in an older, well-established residential area of the city.

Highly innovative and creative solutions were also used by the Corporation in 1989 to solve family housing problems. In one instance, 10 surplus housing units were transported to Caronport in southwestern Saskatchewan to fill a need for additional family housing there.

Although this report highlights just a few of our 1989 accomplishments, the Saskatchewan Housing Corporation remains firmly

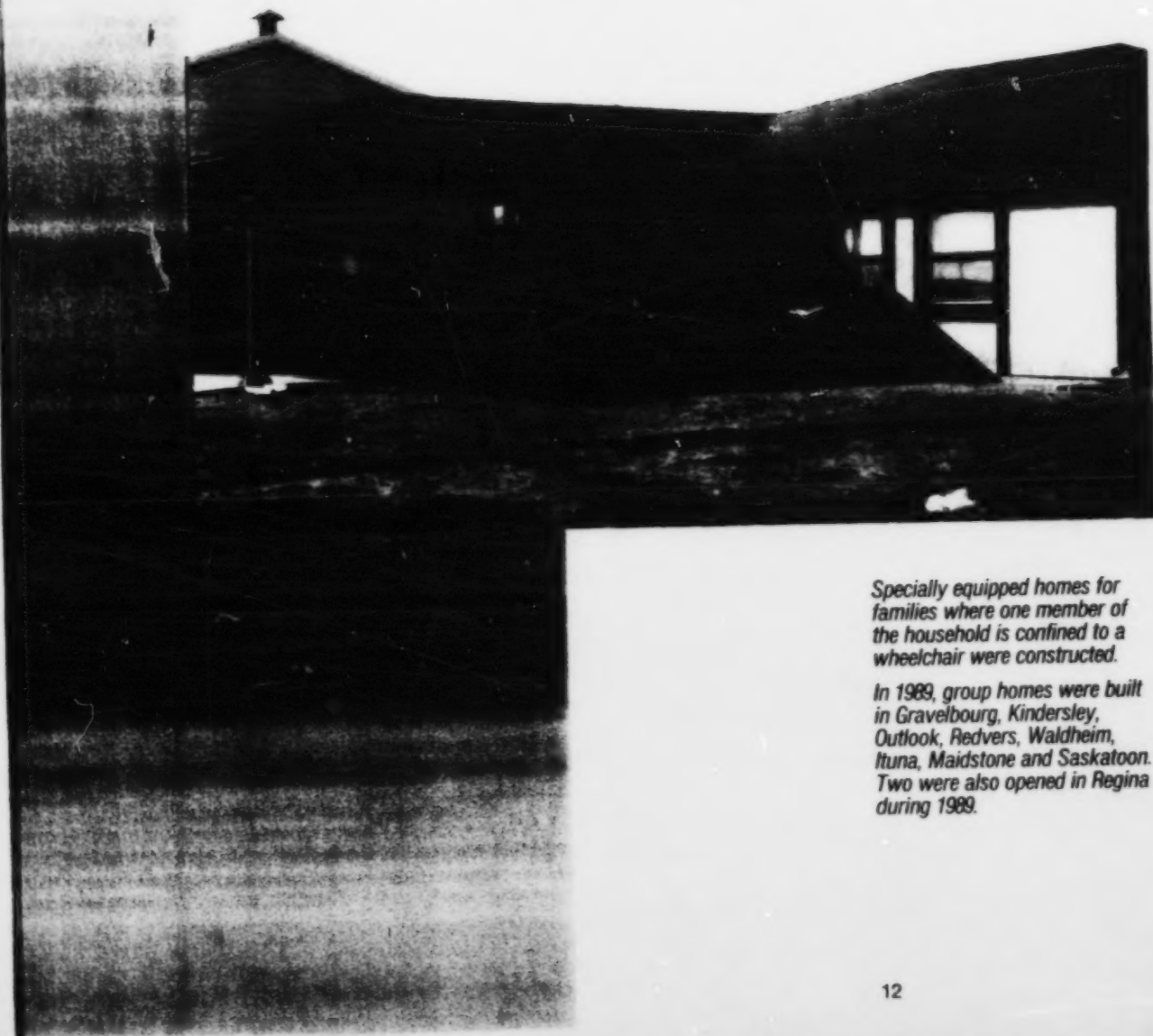


own creative "value added" solutions to meet local housing needs. Many of the family projects were delivered with provision for day care centres, easy access to play areas, schools and other services required by families.

In 1989, family housing units were delivered in Saskatoon and Rosetown under the Innovative

committed to working with community organizations to continue to develop "value added", affordable housing for families in need.

■ DISABLED/SPECIAL
PURPOSE HOUSING



Specially equipped homes for families where one member of the household is confined to a wheelchair were constructed.

In 1989, group homes were built in Gravelbourg, Kindersley, Outlook, Redvers, Waldheim, Ituna, Maidstone and Saskatoon. Two were also opened in Regina during 1989.

Helping physically disabled people has become an important objective in Saskatchewan Housing Corporation's mandate of providing social housing.

The financial and physical requirements of housing a family where one of its members is disabled are great. Despite these obstacles, the primary interest of



these families continues to be independent community living.

Often, even if rental accommodation can be found, it does not have the features or amenities needed to provide accessible, comfortable and secure living for a disabled family member. To overcome this, the Saskatchewan Housing Corporation furthered its initiative to build handicapped accessible homes for families where one member of the household is confined to a wheelchair.

Homes were designed with specially equipped kitchens and bathrooms to accommodate the special housing needs of families who have a member confined to a wheelchair. To add to the amenities of family living, all homes were built in established residential neighbourhoods. The completed homes are being rented to families through the local housing authority. Rental rates are 25 per cent of the householders' gross incomes.

Karen Carlson, who has multiple sclerosis, recently traveled to Humboldt to view the results of Saskatchewan Housing's initiative.

She was impressed. "The perspective that the house was built from was amazing," Karen said. "The kitchen is totally accessible. Cupboards are easy to reach."

"The building is on one level, making all rooms accessible, even the laundry room." Karen describes the whole house as "functional."

Also in 1989, the Corporation continued its participation in the delivery of group homes throughout Saskatchewan. At the request of the Department of Social Services, Saskatchewan Housing has taken on a new role in all delivery aspects of group

Working in conjunction with Saskatchewan Health, the Corporation is also involved in building and renovation projects that will add special care facilities for people who are unable to live independently. During the year, the Corporation committed 50 such special purpose units.

Providing housing for members of our society with a variety of special needs will remain as one of the goals of the Saskatchewan Housing Corporation.



homes. In this role, the Corporation has been able to reduce interest costs by tendering financing. Further savings in interest have resulted from a reduction in the time taken to build group homes.

In 1989, group homes were built in Gravelbourg, Kindersley, Outlook, Redvers, Waldheim, Ituna, Maidstone and Saskatoon. Two were also opened in Regina during 1989.

These group homes not only provide opportunities for mentally and physically disabled persons to maintain a community way of life, they also provide new employment opportunities in these centres.

■ NORTHERN

HOUSING



The housing needs of northern residents continue to require specific and innovative attention. The Corporation has been involved with various initiatives in northern communities.

Activities reflect Saskatchewan Housing's ongoing commitment to "value-added" housing, striving to maintain and improve the social and economic well being of northern Saskatchewan.

Often faced with unique environmental and economic conditions, the housing needs of northern residents continue to require specific and innovative attention from the Saskatchewan Housing Corporation.

As of December 31, 1989, over 1300 housing units were being administered under the Rural and



Native Housing Program along with an additional 66 public housing properties. Expenditures of over \$1.2 million were directed at scheduled refurbishing of 73 properties.

In its continuing efforts to enrich the social aspects of life in northern Saskatchewan, the Corporation has been and continues to be involved with various initiatives in northern communities.

The Town of La Ronge requested the Corporation's assistance in establishing a family service centre. The Corporation turned over two vacant lots to the La Ronge Native Women's Council. The land will be the site for the service centre, a facility to be used as temporary shelter for women and children in crisis situations.

Saskatchewan Housing also assisted La Ronge in rejuvenating a partially serviced subdivision that for many years has had chronic vacancy and vandalism problems. In cooperation with Town Council, the local housing authority, and the residents of McKenzie Point, a development plan for the subdivision was implemented. The Plan included rejuvenating the existing properties, developing a park and

playground, and transferring administration of the rental units to the local housing authority.

A sewer and water line installation program moved into its second year of operation in 1989. The program assists low and moderate income households pay for connections to municipal systems when they become available. To date approximately \$314,000 has been spent on the program, which improves the lifestyle and safety of northern residents.

As part of an ongoing initiative, local residents are hired as field worker representatives. These representatives provide clients with subsidy application assistance, budget and payment counseling, and general information on northern housing programs.



At the close of 1989, the staff housing portfolio stood at 172 units. A continued emphasis by the Corporation of encouraging and facilitating private ownership resulted in 64 properties being sold or transferred in 1989. The year was also the first of a comprehensive three year maintenance plan for the portfolio. Funds are targeted to ensure a reasonable maintenance standard and extended useful life for the properties.

All of these activities reflect Saskatchewan Housing's ongoing commitment to "value-added" housing, striving to maintain and improve the social and economic well being of northern Saskatchewan.

■ SASKATCHEWAN
HOME IMPROVEMENT
PROGRAM

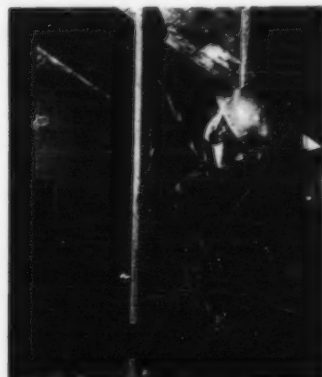


In 1989, over 53,000 applications for matching grants were approved, with a value of over \$89 million. Some 20,000 applications for loans were approved worth \$119 million.

Added to the activity of previous years, some \$1.1 billion of home improvements has generated over 25,000 person-years of employment.

The Saskatchewan Home Improvement Program completed its third full year of operation in 1989. This innovative program, which was initiated in September of 1986, assists Saskatchewan home owners in improving their principle residence.

Program assistance is directed towards some 250,000



Saskatchewan households. The program allows eligible homeowners to undertake improvements, repairs and renovations that will improve the life expectancy and comfort of their home.

Improvements to plumbing, heating, electrical, and interior finishings make homes safer and more energy efficient. The replacement and upgrading of windows, doors, roofing, and exterior finishes not only benefit the individual households, but help rejuvenate whole neighbourhoods and communities. At the same time, all of these improvements increase the owners' equity and provide an important contribution to the provincial economy.

The Program consists of two components, a matching grant and a low interest loan.

The matching grant allows for eligible improvement expenses to be matched, dollar for dollar, up to a maximum of \$1500 per household.

In 1989, over 53,000 applications for matching grants were approved, with a value of over \$89 million. Since the program's inception, over \$650 million worth of home improvements have taken place under the grant program.

The loan component consists of a loan of up to \$10,000 to be repaid by the homeowner at a subsidized interest rate of 6 per cent. The loans are repayable within 10 years.

Some 20,000 applications for loans were approved in 1989, with a value of \$119 million. Combined with the activity of previous years, over 78,000 loans have been approved, with a total value of \$492 million.

The program assists in creating and maintaining employment in the construction sector. The \$208 million of activity under the program in 1989 resulted in an estimated 4700 person-years of employment. Added to the



activity of previous years, some \$1.1 billion of home improvements has generated over 25,000 person-years of employment for Saskatchewan people.

Home ownership is one of the biggest investments made by most people. Protecting the family home is one more way Saskatchewan Housing "adds value" to the quality of life of Saskatchewan residents.

1989 HOUSING

PROJECTS

Seniors' Housing

Community	Sponsor	Project Type	Units**
Archerwill	Sask. Housing	Enriched*	4
Christopher Lake	Sask. Housing	Enriched*	4
Drake	Sask. Housing	Enriched*	4
Paradise Hill	Sask. Housing	Enriched*	6
Tompkins	Sask. Housing	Enriched*	4
Estevan	Lutheran Sunset Home	Innovative	30
Melfort	Consolation Housing Inc.	Innovative	6
Moose Jaw	Timothy Gardens Housing Inc.	Innovative	26
Regina	Academy Housing Assoc.	Innovative	17
Regina	Sacred Heart Housing Assoc.	Innovative*	23
Regina	Regina Ukrainian Orthodox	Innovative*	50
Regina	Grace Lutheran Place Inc.	Innovative	8
Saskatoon	Lutheran Sunset Home	Innovative	10
Saskatoon	McClure Place Assoc.	Innovative	6
Davidson	Turanich Realty Ltd.	Rent Supplement	3
Regina	St. Basil's Home Inc.	Rent Supplement	11
Regina	Hi-Rise Developments Ltd.	Rent Supplement	8
Wadena	Waneda Park Lodge Board	Rent Supplement	25

Family Housing

Community	Sponsor	Project Type	Units**
Martensville	Sask. Housing	Direct Delivery	2
Regina	Sask. Housing	Direct Delivery	2
Saskatoon	Sask. Housing	Direct Delivery	6
Regina	Eastview Community Housing Association	Innovative*	38
Regina	Village Green Inc.	Rent Supplement	4
Rosetown	Remai Realty Corp.	Rent Supplement	1
Saskatoon	Wolfe Group of Companies	Rent Supplement	11
Saskatoon	Remai Realty Corp.	Rent Supplement	14
Yorkton	Border Holdings Inc.	Rent Supplement	8
Yorkton	Remai Realty Corp.	Rent Supplement	4
Caronport	Caronport Housing Association	Relocation	10

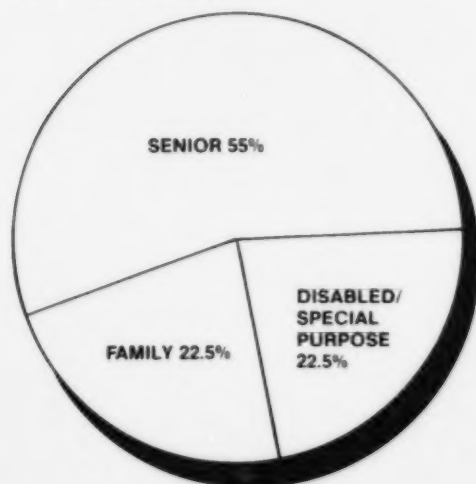
Special Purpose Housing

Community	Sponsor	Project Type	Units**
Leask	Leask Level III Care Home Inc.	Senior*	25
Rosthern	Mennonite Nursing Home Inc.	Senior*	25
Gravelbourg	Gravelbourg Bon Ami Association	Family*	5
Ituna	Deer Park Villa Inc.	Family*	5
Kindersley	West Central Industries Inc.	Family*	5
Maidstone	Maidstone Group Home Society Inc.	Family*	5
Outlook	Variety Place Assoc. Inc.	Family*	5
Redvers	Redvers Activity Centre Inc.	Family*	5
Regina	Chip & Dale Housing Assoc.	Family	3
Regina	Chip & Dale Housing Assoc.	Family*	6
Saskatoon	Elmwood Residences Ltd.	Family*	6
Waldheim	Mennonite Home of Sask.	Family*	5

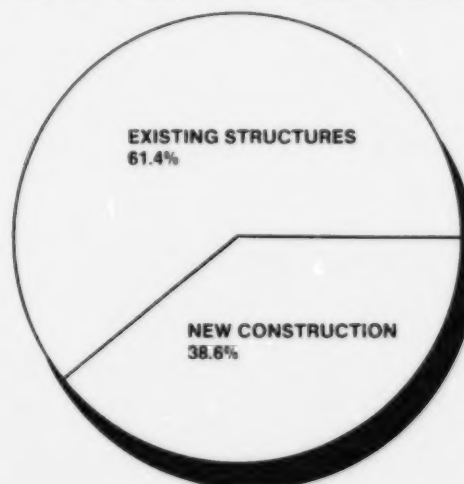
* denotes new construction

** units for federal/provincial assistance

1989 HOUSING DELIVERY



**1989 SENIORS' AND FAMILY HOUSING DELIVERY
EXISTING STRUCTURES VS. NEW CONSTRUCTION**



OFFICE LOCATIONS

Saskatchewan Housing
Corporation
Floors 8-11, North Canadian Oils
Building
2500 Victoria Avenue
Regina, Saskatchewan
S4P 3V7
(306) 787-4177

Saskatchewan Housing
Corporation
10th Floor, Sturdy Stone Building
122-3rd Avenue North
Saskatoon, Saskatchewan
S7K 2H6
(306) 933-6292

Saskatchewan Housing
Corporation
10th Floor, MacIntosh Mall
800 Central Avenue
Prince Albert, Saskatchewan
S6V 6G1
(306) 953-2540

FINANCIAL STATEMENTS

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

These financial statements have been prepared by management, which is responsible for the reliability, integrity and objectivity of the information provided. They have been prepared in accordance with the disclosed basis of accounting as described in the notes. Where necessary, the statements include amounts that are based on informed judgements and estimates by management, giving appropriate consideration to reasonable limits of materiality. Other financial information in the Annual Report is consistent with that provided in the statements.

The Corporation's accounting system and related system of internal controls are designed to provide reasonable assurance that transactions are properly authorized and recorded, assets are safeguarded, and financial records are properly maintained to provide reliable information for use in the preparation of financial statements.

These financial statements have been approved by the Treasury Board and examined by the Corporation's external auditor.

Larry Boys
Acting President

Peter Hoffmann
Comptroller

AUDITOR'S REPORT

To the Members of the Legislative Assembly
Province of Saskatchewan

We have examined the consolidated balance sheet of the Saskatchewan Housing Corporation as at December 31, 1989, and the consolidated statements of operations and cash flows for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Corporation as at December 31, 1989, and the results of its operations and the changes in its financial position for the year then ended in accordance with accounting principles disclosed in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Peat Marwick Thorne

Chartered Accountants

Regina, Canada
March 30, 1990

 Peat Marwick Thorne

**SASKATCHEWAN
HOUSING
CORPORATION**

As at December 31

(thousands)

Assets	1989	1988
Cash and short term investments, at cost	\$ 26,587	\$ 32,543
Accounts receivable	9,452	9,415
Mortgages and loans	27,512	28,967
Land (note 2)	21,217	23,512
Investment in housing projects (note 3)	276,975	271,440
	<u>\$ 361,743</u>	<u>\$ 365,867</u>
Liabilities and Province's Equity		
Liabilities:		
Accounts payable and accruals	\$ 19,096	\$ 20,794
Unexpended grants - Province of Saskatchewan (note 4)	83	2,126
Accumulated capital provisions	8,269	7,650
Land profits holding account (note 5)	2,563	2,489
Long term debt (note 6)	320,191	320,263
	<u>\$ 350,201</u>	<u>\$ 353,322</u>
Province's equity:		
Contributed surplus	\$ 11,542	\$ 12,545
Contingencies and commitments (notes 8 and 9)		
	<u>\$ 361,743</u>	<u>\$ 365,867</u>

See accompanying notes to the financial statements.

SASKATCHEWAN HOUSING CORPORATION

For the Year Ended December 31

(thousands)

	TOTAL		CORPORATE		NON-PROFIT HOUSING		RURAL HOUSING		PUBLIC HOUSING	
	1989	1988	1989	1988	1989	1988	1989	1988	1989	1988
Revenues:										
Land sales	\$ 770	\$ 3,672	\$ 770	\$ 3,672	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Rents and other income ...	20,899	20,726	927	1,340	10,945	10,894	1,697	1,601	7,330	6,891
Interest income	6,847	7,002	6,758	6,794	81	198	8	10	—	—
Federal subsidies	12,533	13,829	—	—	9,660	11,637	—	—	2,873	2,192
Grants from Province of Saskatchewan (note 4) ..	103,038	108,688	81,652	91,690	3,875	1,520	3,603	2,547	13,908	12,931
	<u>\$ 144,087</u>	<u>\$ 153,917</u>	<u>\$ 90,107</u>	<u>\$ 103,496</u>	<u>\$ 24,561</u>	<u>\$ 24,249</u>	<u>\$ 5,308</u>	<u>\$ 4,158</u>	<u>\$ 24,111</u>	<u>\$ 22,014</u>
Expenditures:										
Cost of land sales	\$ 616	\$ 3,680	\$ 616	\$ 3,680	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Interest expense (note 7) ..	35,558	35,273	1,916	2,771	17,100	17,100	2,650	2,240	13,892	13,162
Maintenance	6,497	5,633	363	204	2,531	2,424	773	330	2,830	2,675
Property operating	10,631	9,851	487	493	4,071	3,930	720	621	5,353	4,807
Amortization	1,180	1,029	4	7	162	142	738	641	276	239
Administration:										
Expenses	11,007	11,045	8,892	8,997	697	653	319	314	1,099	1,081
Recovered or capitalized	(3,224)	(3,816)	(3,224)	(3,816)	—	—	—	—	—	—
Grants	76,701	87,943	76,082	87,893	—	—	—	—	619	50
Reduction in net realizable value of land	4,176	2,291	4,176	2,291	—	—	—	—	—	—
Loss provisions and other	945	988	795	976	—	—	108	12	42	—
	<u>\$ 144,087</u>	<u>\$ 153,917</u>	<u>\$ 90,107</u>	<u>\$ 103,496</u>	<u>\$ 24,561</u>	<u>\$ 24,249</u>	<u>\$ 5,308</u>	<u>\$ 4,158</u>	<u>\$ 24,111</u>	<u>\$ 22,014</u>
Net Operations	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

See accompanying notes to the financial statements.

**SASKATCHEWAN
HOUSING
CORPORATION**

Consolidated Statement of Cash Flows
For the Year Ended December 31

(thousands)

	1989	1988
Cash Provided By (Used In):		
Operating Activities:		
Charges to operations not requiring cash:		
Cost of land sales	\$ 616	\$ 3,680
Reduction in net realizable value of land	4,176	2,291
Provision for capital replacements	1,861	1,699
Amortization	1,180	1,029
Other losses	535	759
Payouts to Municipalities from land profits holding account	—	(7)
Increase in non-cash working capital	(3,624)	(647)
	<u>\$ 4,744</u>	<u>\$ 8,804</u>
Investment Activities:		
Reduction of mortgages and loans	\$ 1,242	\$ 1,521
Investment in housing projects	(7,614)	(5,899)
Investment in land	(2,614)	(3,995)
Capital replacements	(1,242)	(969)
Proceeds from sale of Staff Housing units	694	2,003
Transfer of Staff Housing sale proceeds to Consolidated Fund, Province of Saskatchewan	(1,094)	(1,535)
	<u>\$ (10,628)</u>	<u>\$ (8,874)</u>
Financing Activities:		
Repayment of long term debt	\$ (72)	\$ (121)
Net decrease in cash during the year	\$ (5,956)	\$ (191)
Cash and short-term investments, beginning of year	32,543	32,734
Cash and short-term investments, end of year	<u>\$ 26,587</u>	<u>\$ 32,543</u>

See accompanying notes to the financial statements.

**SASKATCHEWAN
HOUSING
CORPORATION**

December 31, 1989

1. Significant Accounting Policies:

Basis of consolidation

The consolidated financial statements include the accounts of Saskatchewan Housing Corporation and the Corporation's proportionate share of the net assets and revenues and expenditures of the joint venture projects in which it participates, as described in Notes 2 and 3.

Segmented Information

The Consolidated Statement of Operations reflects revenues and expenditures of the Corporation according to major program areas.

The Corporate segment includes interest (Note 7), corporate administration, land operations, Staff Housing rental operations, the Saskatchewan Mortgage Guarantee Program operations and grants and subsidies paid but not included in other segments (Note 4). Allocations of administration costs have been made to the Housing segments.

Interest is allocated to Public and Rural Housing projects based on rates established at project commitment date. These rates approximate market rates at the time, which are generally higher than the rates the Corporation pays on funds borrowed. For Non-profit Housing projects, interest is allocated based on the Corporation's weighted average cost of funds borrowed during the construction period for each project.

Grants from the Province of Saskatchewan

Grant revenue is recognized in an amount equal to program expenditures or deficits as applicable.

The Corporation received the following operating and program grants from the Consolidated Fund of the Province of Saskatchewan pursuant to provisions of Section 36 of **The Saskatchewan Housing Corporation Act**:

Housing Subsidies

These are related to housing for seniors and families with low to moderate incomes. Required monthly payments, based on occupants' incomes, usually do not fully recover project operating costs and debt amortization. The amounts recorded in the Consolidated Statement of Operations reflect the Corporation's share of operating deficits incurred on the Public and Rural Housing portfolios; subsidies paid to Urban Native and other non-profit sponsors; subsidies paid in respect of lease agreements under the Rent Supplement program; and net interest costs allocated to Non-profit Housing but not eligible for determining federal subsidies.

Net Operating

This grant includes net administration costs, capital losses, and losses on Non-profit Housing and land operations, less interest spreads earned.

Home Improvement Program and Other

These expenditures are accounted for on a cash basis.

Revenue recognition

Sales of land intended for single family residential development are recorded at the earlier of receipt of total proceeds or completion of the first floor joist stage of construction. Other land sales are recorded at the earlier of receipt of total sale proceeds or the date by which all material conditions required of the vendor as specified in the sales agreement have been satisfied, and effective control of the property has passed to the purchaser.

The cost of lot sales is allocated in proportion to anticipated revenue for each project.

Pursuant to the direction of Treasury Board, net sales proceeds from disposition of Staff Housing units are returned to the Consolidated Fund of the Province of Saskatchewan.

The Corporation provides mortgage financing to purchasers of certain Rural Housing units. The intent when selling is to recover actual costs. Accordingly, these sales are not recognized in the Consolidated Financial Statements.

Investment in housing projects

Completed Public and Non-profit Housing projects are carried at the lower of cost (which includes land, development, construction, administrative and carrying costs) and costs agreed to by Canada Mortgage and Housing Corporation (C.M.H.C.) less accumulated amortization. Rural Housing projects are carried at the lower of original cost and market value, less accumulated amortization. Major structural renovations not undertaken in conjunction with C.M.H.C. are capitalized to the extent that the costs incurred are determined to be recoverable from the Province.

Public Housing projects are closed out in the month in which construction is completed and renting can begin.

Amortization

Investments in Non-profit, Public and Rural Housing projects are amortized over their estimated useful lives on the sinking fund basis over periods ranging from twenty-five to fifty years. Investments in Staff Housing projects are amortized on a straight-line basis over periods up to forty years.

Contributed surplus

This balance relates to certain Rural Housing and Staff Housing assets transferred to the Corporation in previous years, and is being amortized to operations on the same basis as the related assets. Charges to Contributed surplus also include the net book value of units disposed of during the year.

Land

Land is recorded at the lower of net realizable value and cost (which includes acquisition, development, administrative and carrying costs).

Interest capitalization

Interest is capitalized on housing and land projects at rates established at individual project commitment dates, based on approximate market rates at the time.

Accumulated capital provisions

In accordance with **The National Housing Act**, the Corporation provides each year for replacement of appliances and for building renovations at rates agreed to by the Canada Mortgage and Housing Corporation. These amounts are charged to Maintenance and credited to Accumulated Capital Provisions. Amounts are charged against Accumulated Capital Provisions as actual expenditures are incurred.

Saskatchewan Mortgage Guarantee Program

Premiums received in respect of mortgage guarantees provided by the Corporation have been deferred, and are being taken into revenue on the basis of risk factors established by the Federal Department of Insurance.

Losses on individual mortgage guarantees are provided for on the basis of claims received and mortgage arrears as reported to the Corporation by lenders.

Home Improvement Program

This Program includes grants and subsidies to eligible provincial homeowners, and other costs directly associated with the delivery of the program. In addition the Corporation is providing loan guarantees to lenders. Losses on individual loan guarantees are provided for on the basis of an assessment of the collectibility of loans which have been referred to the Corporation.

Fixed assets

Purchases of office and specialized equipment are charged to operations in the year of purchase and gross proceeds on any disposal are recorded as revenue.

2. Land

	1989	1988
	(thousands)	
Developed and under development	\$ 13,518	\$ 13,553
Held for future development	23,151	21,241
	<u>\$ 36,669</u>	<u>\$ 34,794</u>
Less: Accumulated provision for loss	15,452	11,282
	<u>\$ 21,217</u>	<u>\$ 23,512</u>

Land acquisitions and development projects are undertaken pursuant to joint venture agreements with various Municipalities. Costs have, in most instances, been shared ninety-five percent by the Corporation and five percent by the Municipalities. The Municipalities' accumulated equity of \$316,000 (1988 - \$333,000) is included in accounts payable and accruals.

3. Investment in housing projects

			1989	1988
	Cost	Accumulated Amortization	(thousands) Net Book Value	Net Book Value
Non-profit Housing	\$ 125,695	\$ 817	\$ 124,878	\$ 125,040
Public Housing	119,187	1,934	117,253	109,922
Rural Housing	33,577	4,674	28,903	30,028
Staff Housing and other	6,300	1,115	5,185	5,351
Projects under construction	756	—	756	1,099
	<u>\$ 285,515</u>	<u>\$ 8,540</u>	<u>\$ 276,975</u>	<u>\$ 271,440</u>

Non-profit Housing projects are wholly owned by the Corporation.

Public Housing projects are constructed and operated pursuant to joint venture agreements with Canada Mortgage and Housing Corporation (C.M.H.C.) and Municipalities. The Corporation's participation in these joint ventures is twenty percent in most instances for projects constructed prior to 1986; for those constructed since then the Corporation has a ninety-five or one hundred percent ownership interest.

Rural Housing projects are constructed and operated pursuant to joint venture agreements with C.M.H.C. The Corporation's participation in these joint ventures is twenty-five percent in most instances.

4. Grants receivable (unexpended) - Province of Saskatchewan
(thousands)

	Balance January 1, 1989	Received From Consolidated Fund	Recognized As 1989 Revenues	Balance December 31, 1989
Home Improvement Program	\$ 234	\$ 74,139	\$ 73,753	\$ (152)
Housing Subsidies	(175)	21,129	21,166	(138)
Net Operating	(1,575)	5,548	7,469	346
Other Grants	(610)	179	650	(139)
Total - 1989	<u>\$ (2,126)</u>	<u>\$ 100,995</u>	<u>\$ 103,038</u>	<u>\$ (83)</u>
Total - 1988	<u>\$ 1,888</u>	<u>\$ 112,702</u>	<u>\$ 108,688</u>	<u>\$ (2,126)</u>

5. Land profits holding account

	1989 (thousands)	1988 (thousands)
Balance, January 1	\$ 2,489	\$ 2,483
Loss on land sales	(31)	(90)
Interest credited	105	103
Payouts to Municipalities	—	(7)
Balance, December 31	<u>\$ 2,563</u>	<u>\$ 2,489</u>

Profits earned on land development projects are distributed according to agreements with the Municipalities, which specify the percentage of profits to be transferred to a holding account for social or recreational development in the Municipalities, or for other purposes as deemed appropriate by the Corporation. Individual project balances are subject to release pending determination of final costs, receipt of the last lot sale proceeds, and approval by the Corporation.

6. Long term debt

	1989 (thousands)	1988 (thousands)
Advances repayable to the Consolidated Fund, Province of Saskatchewan:		
Year Repayable	Weighted Average Interest Rate	
1995	8.66	\$ 19,736
1996	9.08	\$ 27,274
1997	8.98	\$ 43,407
1998	9.41	\$ 21,030
1999	10.34	\$ 35,578
2000	12.48	\$ 31,887
2001	15.51	\$ 42,075
2002	14.80	\$ 76,686
2003	12.15	\$ 10,240
2004	12.96	\$ 9,391
		<u>\$ 317,304</u>

C.M.H.C. land assembly loans at interest rates varying from 9.75% to 10.75%, secured by land inventory and repayable based upon future lot sales from 1990 to 2011.

2,164 2,164

Bank loan, unsecured and repayable in monthly amounts of \$14,000, including interest at 12%.

723 795
\$ 320,191 \$ 320,263

7. Interest expense

	1989	1988
	(thousands)	
Interest incurred	\$ 38,645	\$ 38,584
Less: Interest capitalized	(2,536)	(2,663)
Interest recovered	(551)	(648)
	<u>\$ 35,558</u>	<u>\$ 35,273</u>

8. Contingencies

Home Improvement Loan Program

Commencing in September, 1986 the Corporation has provided loan guarantees to lenders pursuant to the Home Improvement Loan Program. Loans to borrowers are guaranteed to a maximum of \$10,000 and are to be amortized over periods not exceeding ten years. As at December 31, 1989 a total of 72,578 (1988 - 54,826) loan guarantees were in effect, and the outstanding balance of loans guaranteed approximated \$388,658,000 (1988 - \$315,558,000).

Saskatchewan Mortgage Guarantee Program

During 1986 and 1987 the Corporation provided mortgage guarantees to lenders financing certain new housing construction. As at December 31, 1989 a total of 577 (1988 - 628) mortgage guarantees were in effect and the outstanding balance of mortgages guaranteed was \$44,030,000 (1988 - \$48,367,000).

9. Commitments

The Corporation had the following approximate commitments as of December 31, 1989:

- (a) Construction expenditures of \$1,034,000
- (b) Land development expenditures of \$1,342,000
- (c) Home improvement grants of \$26,000,000.
- (d) Lease payments over the next three years in the following annual minimum amounts:

1990	-	\$1,160,000
1991	-	509,000
1992	-	202,000

10. Subsequent event - cancellation of the Home Improvement Program

On March 5, 1990, the Province of Saskatchewan announced the cancellation of the Home Improvement Program.

11. Related party transactions

Transactions with Saskatchewan's Crown controlled departments, agencies and corporations are conducted at market prices.

12. Comparative information

Certain 1988 financial information has been reclassified to conform with the 1989 presentation.